

STATE OF CALIFORNIA  
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY  
DEPARTMENT OF BUSINESS OVERSIGHT

**TO:** Lejun James Shao aka James Shao, aka James Shaw  
WhitePine Investment Corporation  
www.myIRAS.net  
1400 Lafayette St.  
San Gabriel, California 91776

**DESIST AND REFRAIN ORDER**  
**(For Violations of Sections 25110, 25401, and 25230 of the Corporations Code)**

The Commissioner of Business Oversight (Commissioner) finds that:

1. Lejun James Shao aka James Shao, aka James Shaw (Shao), at all relevant times, was a California resident doing business at 1400 Lafayette Street, San Gabriel, California. Shao is the sole shareholder of WhitePine Investment Corporation and the founder of www.myIRAS.net.

2. WhitePine Investment Corporation (WhitePine) is a California corporation owned and operated by Shao with its last known address located at 1400 Lafayette Street, San Gabriel, California. WhitePine is purportedly an investment “consulting” business.

3. www.myIRAS.net is an online investment service (myIRAS) founded, managed, and operated by Shao since at least 2010. myIRAS purported purpose is – “to try to help our subscribers to achieve above-average investment returns. We are in constant search for possible future multi-baggers and recommend our findings to our subscribers.” myIRAS offered two types of services: Portfolio Plus at \$385 per year or Short-Term Play for \$149 a month. Subscribers would essentially have access to Shao’s investment advice (short and medium term buy and sell recommendations, including daily updates and stock picks). At least one California resident subscriber was charged \$480.00 per year to participate in the program.

4. Beginning in at least December of 2014, Shao, WhitePine, and myIRAS offered the “Shaw Short Term Play Fund” (Fund). The Fund called for a minimum investment of \$10,000.00 and

1 a maximum of \$50,000.00. The Fund was supposedly only open to “current and previous members”  
2 of myIRAS. At least one California resident invested in the Fund. Shao claimed that there would be  
3 “no loss on the principals for our investors.” In fact, Shao claimed that if there is “any loss on the  
4 Fund...we will use our own money to make up the loss.” But the investors never received the  
5 promised returns or the return of his or her investment principal.

6 5. In connection with the offer and sale of the securities, Shao, WhitePine, and myIRAS  
7 misrepresented or failed to disclose to investors the following material facts:

- 8 a. the risks associated with investing in the Fund; and
- 9 b. investors were promised they would receive their principal investment back  
10 but did not.

11 6. The above described Fund was sold in this state in an issuer transaction. The  
12 Department of Business Oversight has not issued a permit or other form of qualification authorizing  
13 any person to offer or sell the Fund in this state.

14 7. Shao, WhitePine, and myIRAS are conducting business as investment advisers by  
15 advising at least one California resident to invest in the Fund and advising myIRAS subscribers of its  
16 short and medium term buy and sell recommendations, and their activities come within the meaning  
17 of Corporations Code section 25009. Under Corporations Code section 25230, Shao, WhitePine, and  
18 myIRAS were required to obtain a certificate from the Commissioner to conduct business as  
19 investment advisers in the State of California.

20 8. The Commissioner has no record of having received an application from, or having  
21 granted an investment adviser certificate to Shao, WhitePine, or myIRAS.

22 Based on the foregoing findings, the Commissioner of Business Oversight is of the opinion  
23 that the Fund is a security subject to qualification under the Corporate Securities Law of 1968 and is  
24 being or has been offered or sold without first being qualified in violation of Corporations Code  
25 section 25110 of the Corporate Securities Law of 1968. Under section 25532 of the Corporations  
26 Code, Lejun James Shao aka James Shao, aka James Shaw, WhitePine Investment Corporation, and  
27 myIRAS.net are ordered to desist and refrain from the further offer and sale of securities in  
28 California, including but not limited to investment contracts in the form of the Fund, unless such sale

1 has been qualified under Corporations Code section 25111, 25112, or 25113 or unless such security  
2 or transaction is exempted or not subject to qualification.

3 Furthermore, the Commissioner of Business Oversight is of the opinion that the securities  
4 Lejun James Shao aka James Shao, aka James Shaw, WhitePine Investment Corporation, and  
5 myIRAS.net offered or sold in this state were offered or sold by means of written or oral  
6 communications which included an untrue statement of a material fact or omitted to state a material  
7 fact necessary in order to make the statements made, in light of the circumstances under which they  
8 were made, not misleading, in violation of section 25401 of the Corporations Code. Under section  
9 25532 of the Corporations Code, Lejun James Shao aka James Shao, aka James Shaw, WhitePine  
10 Investment Corporation, and myIRAS.net made, or caused to be made, misrepresentations or  
11 omissions of material fact in connection with the offer or sale of securities and are hereby ordered to  
12 desist and refrain from offering or selling or buying or offering to buy any security in the State of  
13 California by means of any written or oral communication which includes an untrue statement of  
14 material fact or omits to state a material fact necessary in order to make the statements made, in light  
15 of the circumstances under which they were made, not misleading.

16 Finally, the Commissioner of Business Oversight is of the opinion that Lejun James Shao aka  
17 James Shao, aka James Shaw, WhitePine Investment Corporation, and myIRAS.net have conducted  
18 business as investment advisers in this state for compensation by advising others to invest in the  
19 Shaw Short Term Play Fund and advising myIRAS subscribers of its short and medium term buy and  
20 sell recommendations without first having applied for and secured from the Commissioner a  
21 certificate authorizing them to act in that capacity, in violation in violation of section 25230 of the  
22 Corporations Code. Under Corporations Code section 25532 Lejun James Shao aka James Shao, aka  
23 James Shaw, WhitePine Investment Corporation, and myIRAS.net are further ordered to desist and  
24 refrain from conducting business as investment advisers in this state unless and until they have  
25 applied for and secured from the Commissioner a certificate, then in effect, authorizing them to act in  
26 that capacity.

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1           These orders are necessary, in the public interest, for the protection of investors and consistent  
2 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

3 Dated: August 29, 2018  
4       Los Angeles, CA

JAN LYNN OWEN  
Commissioner of Business Oversight

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7 By \_\_\_\_\_  
8 MARY ANN SMITH  
9 Deputy Commissioner  
10 Enforcement Division  
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